

# EXHIBIT C

Schools and Libraries Division  
Box 125-Correspondence Unit  
100 South Jefferson Rd.  
Whippany, NJ 07981

March 29, 1999

## Letter of Appeal

To Whom It May Concern:

This is an appeal (request) regarding approved 471 #00030744, for Cluster 07 of the Los Angeles Unified School District. We request that, due to the following circumstances, funds from the line item for Internal Connections approved for Spin #14300853 for Premio Computers, Inc. be **increased** by **\$2,086,494.40**; and that the funds for Internal Connections approved for Spin # 143005198, for Lucent Technologies be **decreased** by **\$2,086,494.40**.

The reasons for this appeal (request) are:

1. Due to internal bidding procedures, the required wiring for the approved equipment was not awarded. Thus the equipment, provided by Spin # 143005198, Lucent Technologies, would be attached to nothing until the 1999-2000 school year, when both SLD and internal bidding requirements will be met, and wiring will proceed, as authorized.  
The remaining \$361,309.32 of Internal Connection funds approved for Spin # 143005198 as originally requested.
2. Since the 471 application was made, Bay Networks the manufacturer and reseller has been purchased by Nortel. The data and Internet switches specified, bid and authorized for funding by the SLD, were manufactured by Bay Networks. Lucent Technologies was an authorized re-seller of Bay Networks products. Although a contract between the former Bay Networks and Lucent is still in effect, until the end of this, 1999, year, the continued maintenance and support of the Nortel equipment is in serious doubt. Lucent is no longer actively selling nor supporting the Bay-Nortel equipment. Thus the schools will be left without

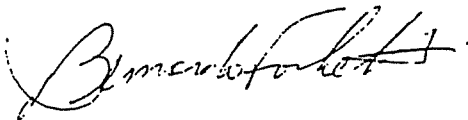
the ability for continued vendor support and maintenance, as bid and approved by the SLD. Substitution of other equipment is not acceptable, since it will not provide the required, robust network. Therefore, for the reasons stated in 1 and 2 we request that the funds be decreased for Lucent and increased for the purchase of the approved tier 1 telecommunications servers, and their approved provider Premio Computer, Inc.

3. The equipment provided by Spin # 14300853, on the other hand are approved telecommunications and Internet servers, that require only the existing wiring. Additional classrooms can be brought on line through the utilization of the existing telco wiring in the schools, until July, 1999 when permanent conduit, fiber and category 5 wiring will be installed. A greater number of classrooms will be serviced through the change requested. The servers will provide both advanced telecommunications into the classroom and Internet access as well, through attached modems, which the schools/District will purchase separately, since they (the modems) are ineligible for discounts.

Enclosed is a 471, with the Purpose of Request, to modify the approved 471 # 00030774. Within this 471 are the detailed changes, being requested, with ALL of required forms. Also, enclosed, is the original 471 # 00030774, that was previously approved

We request that this modification be honored and quickly approved, as there is little time remaining for the complete implementation and completion of approved project, over so many schools and classrooms.

Sincerely,



**Bernardo Foschetti**

**818-997-2550**

471

# Schools and Libraries Universal Service Services Ordered and Certification Form

Estimated Average Burden Hours Per Response: 6 hours

This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Schools and Libraries Corporation can set aside sufficient support to reimburse providers for services.

Please read instructions before completing.

(To be completed by each Billed Entity)

**Block 1: Applicant Address and Identifications** (School, library, or consortium desiring Universal Service funding.)

1. Name of Applicant (Billed Entity) LOS ANGELES UNIFIED CLUSTER 07		2. Funding Year 1998	
3a. NCES School Code (if individual school) or NCES Library Code (if individual library)			
3b. 471 Application Number (if individual school or library)		3c. Billed Entity Number 143565	
4a. Type of Applicant (Check only one box)  <input type="checkbox"/> school <input checked="" type="checkbox"/> school district <input type="checkbox"/> library or library consortium under the LSTA <input type="checkbox"/> consortium of multiple entities		4b. If applicant is a consortium, check all other boxes that apply:  <input type="checkbox"/> includes non-government entities ineligible for support <input type="checkbox"/> region of a state <input type="checkbox"/> statewide <input type="checkbox"/> multi-state <input type="checkbox"/> state educational agency <input type="checkbox"/> local educational agency <input type="checkbox"/> educational services agency	
5. Applicant's Street Address, P.O. Box, or Route Number 6621 BALBOA BLVD.			
City VAN NUYS	State CA	Zip Code 91406	Telephone Number 818-997-2550
6. Contact Person's Name Bernardo Foschetti			
Street Address, P.O. Box, or Route Number (if different from Item 5)			
City	State	Zip Code	
Fill in all of the following (if available), and check the preferred mode of contact: x   Telephone 818-997-2550			
<input type="checkbox"/> FAX		<input type="checkbox"/> E-mail <input type="checkbox"/> Mail	

**Block 2: Purpose of Request**

7 Purpose of Request: (Check all that apply, if any.)	
a. <input type="checkbox"/> Discount on contract(s) signed prior to a request being posted on the Administrator's website. Was an FCC Form 470 filed with regard to all the contract(s)?   x Yes <input type="checkbox"/> No	
b. <input type="checkbox"/> Discount on contract(s) signed after a request being posted on the Administrator's website.	
c. <input checked="" type="checkbox"/> Minor modifications or supplement to existing contract(s) for which a Form 471 was already filed. 471 Application Number 00030774	

**Block 3: Characteristics of Applicant and Applicant's Service Order** (derived from FCC Form 470 Blocks 2 & 3)

8a. Number of students 27679	8b. Number of library patrons
9. Number of buildings to be served 250	10. Number of rooms to be served 680

Contact Person's Name Bernardo Foschetti

and Phone Number: (818) 997-2550

	Existing Services	Total Services After Order
<b>11. Telecommunications Services</b>		
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)		
b. Number of computers that have or require service	1000	5500
c. Number of high bandwidth video conferencing links	0	108
<b>12. Internal Connections</b>		
a. Number of buildings with at least some rooms connected	25	150
b. Number of rooms connected	50	680
c. Highest speed of connection	10 mbg	ATM 155mg
<b>13. Internet Access</b>		
a. Number of dial up connections	10	150
b. Highest speed of such dial up connections	64K	45 mcg
c. Number of direct connections	0	57
d. Highest speed of such direct connections	0	45 mcg

**Block 4: Determining Discount Percentage**

14. Fill in one line per school, library, or library consortium and calculate in the last line, an average discount rate for the billed entity. Attach additional pages if necessary. *Note:* If the applicant has already completed this chart for all of the same entities with data that is current, provide the "471 Application Number" (Item 3b), from that previous FCC Form 471 here: \_\_\_\_\_

(1) Name of Individual School or Library	(2) NCES or Comparable Code for School or Library (Obtain from Administrator)	(3) Urban or Rural	(4) <u>For Schools:</u> Number of Students <u>For Libraries:</u> NCES Code of a School in its District	(5) <u>For Schools:</u> Number of Students Eligible for National School Lunch Program	(6) Discount Calculated from Discount Matrix	(7) Check if School or Library will use "Shared Services" listed in Item 15.
Erwin Elementary School	02991	Urban	968	885	90%	<input checked="" type="checkbox"/>
Fulton Middle School	03029	Urban	1676	1522	90%	<input checked="" type="checkbox"/>
Madison Middle School	03156	Urban	1720	1502	90%	<input checked="" type="checkbox"/>
Kester Elementary School	03115	Urban	644	512	90%	<input checked="" type="checkbox"/>
Riverside Elementary School	03311	Urban	686	455	80%	<input checked="" type="checkbox"/>
Sherman Oaks Elementary School	03351	Urban	977	555	80%	<input checked="" type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					89.1%	

Contact Person's Name Bernardo Foschetti

and Phone Number: (818) 997-2550

**Block 5: Services Ordered**

15. "Shared" services: All EXCEPT site-specific, internal connections and dedicated ("private line") connections from only one school or library to an ISP or other end user.

(1)	(2)	CONTRACT			(6)	(7)	Amount		(10)	(11)
SLC Service Provider Number or Full Legal Name of Service Provider	Universal Service Control Number for Form 470 on which this is based	(3)  Contract Number (if applicable)	(4)  Award Date	(5)  Expir- ation Date	Services or Products	Service Start Date	(8)  Estimated One Time Pre- discount Cost	(9)  Estimated Monthly Pre- discount Cost	Estimated Total Annual Prediscount Cost	Percentage Discount (from Item 14)
143008583	614630000013616	D8-0019429	04/10/98	03/10/02	Telecommunications Services					
					Internet Access					
					Internal Connections (Shared)	05/01/98	\$1,006,225.90	\$0.00	\$1,006,225.90	78.00%
143008583	614630000013616	D8-0019429	04/10/98	03/10/02	Telecommunications Services					
					Internet Access					
					Internal Connections (Shared)	05/01/98	\$1,080,268.50	\$0.00	\$1,080,268.50	78.00%
					Telecommunications Services					
					Internet Access					
					Internal Connections (Shared)					

Contact Person's Name Bernardo Foschetti

and Phone Number: (818) 997-2550

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

(1)	(2)	CONTRACT			(6)	(7)	Amount (See instructions about rounding)			(11)	(12)
SLC Number of Service Provider (Obtain from Service Provider)	Universal Service Control Number for Form 470 on which this is based	(3) Contract Number (if applicable)	(4) Award Date	(5) Expiration Date	Services or Products	Service Start Date	(8) Estimated One Time Pre-discount Cost	(9) Estimated Monthly Pre-discount Cost	(10) Estimated Total Annual Pre-discount Cost	Percent-age Dis-count (from Item 14)	School or Library Code (Listed on website)
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Dedicated Services	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	Internal Connections	NONE	NONE	NONE	NONE	NONE	NONE

Contact Person's Name BERNARDO FOSCHETTI and Phone Number: 818-997-2550

17. ☒ Check this box to confirm that, for each service provider listed in 15 and 16, above, a list is attached (as an appendix to this form) of all of the services that each service provider is providing to the billed entity. Service providers should provide these lists on request.

18. a. Total dollars of support allocated for this application for the entire funding year (calculated by administrator)	
b. Amount of support set aside for this application for the first six months of the year (calculated by administrator)	
19. Provide the total estimated cost (pre-discount price) for the services you expect to order in the funding year following the one for which you are applying here. (This figure is not binding.)	\$9,400,000
20. Is your order solely for basic telephone service? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Block 6: Certifications and Signature**

21. The applicant is eligible for support because it includes: (Check one or both.)
- ☒ schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses and do not have endowments exceeding \$50 million; and/or
  - ☐ libraries or library consortia eligible for assistance from a state library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools', including, but not limited to, elementary and secondary schools, colleges, or universities.
22. The school(s) or library(ies) I represent have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services.
23. All of the individual schools, libraries, and library consortia listed above in items 15 and 16 are covered by:
- ☒ an individual; and/or
  - ☒ higher-level technology plan(s) for using the services requested in this application (if those services consist of other than voice services).
24. Status of technology plans (check one):
- ☒ Technology plan(s) has/have been approved; or
  - ☐ Technology plan(s) will be approved by a state or other authorized body; or
  - ☐ Technology plan(s) will be submitted to Schools and Libraries Corporation for approval.
25. I certify that the entities eligible for support that I am representing have complied with all applicable state and local laws regarding procurements of services for which support is being sought.
26. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.
27. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service receive an appropriate share of benefits from those services.
28. I recognize that I may be audited pursuant to this application and will retain for five years any and all worksheets and other records that I rely upon to fill out this application.
29. I certify that I am authorized to submit this request on behalf of the above-named institution, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

30. Signature <u>Yoshi Fong</u>	31. Date <u>3/29/99</u>
32. Printed name of authorized person <u>Yoshi Fong</u>	
33. Title or position of authorized person <u>Controller</u>	
Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.	



Contact Person's Name BERNARDO FOSCHETTI and Phone Number: 818-997-2550

NOTICE TO INDIVIDUALS: Section 54.504 of the Federal Communication Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Services Ordered and Certification Form (FCC Form 471) with the Universal Service Administrator 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation of potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party of a proceeding before the body or has an interest in the proceeding.

If you owe a past due debt to the federal government, the taxpayer identification number (such as your social security number) and other information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

With the exception of your social security number, if you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

This form should be submitted to:

**SLC-Form 471  
P.O. Box 7026  
Lawrence, Kansas 66044-7026  
1-888-203-8100**

If sent by express delivery services or U.S. Postal Service, Return Receipt Requested, the form should be mailed to:

**SLC-Form 471  
c/o Ms. Smith  
3833 Greenway Drive  
Lawrence, Kansas 66046  
1-888-203-8100**

**Block 4: Determining Discount Percentages**

14. Fill in one line per school, library, or library consortium and calculate in the last line, an average discount rate for the billed entity.

Attach additional pages if necessary. Note: If the applicant has already completed this chart for all of the same entities with data that is current, provide the "471 Application Number" (Item 3b), from that previous FCC Form 471 here: \_\_\_\_\_

(1) Name of Individual School or Library	(2) NCES Comparable Code for School or Library (Obtain from Administrator)	(3) Urban or Rural	(4) <i>For Schools:</i> Number of Students <i>For Libraries:</i> NCES Code of a School in its District	(5) <i>For Schools:</i> Number of Students Eligible for National School Lunch Program	(6) Discount Calculated from Discount Matrix	(7) Check if School or Library will use "Shared Services" listed in Item 15.
Ulysses Grant High School	03052	Urban	3425	2945	90%	[ x ]
London High School	03146	Urban	68	62	90%	[ x ]
Kittridge Elementary School	03118	Urban	1037	1037	90%	[ x ]
Van Nuys High School	03424	Urban	3284	2988	90%	[ x ]
Van Nuys Elementary School	03421	Urban	1113	1102	90%	[ x ]
Hazeltine Elementary School	03077	Urban	1310	1295	90%	[ x ]
Lowman Special Ed. School		Urban	225	201	90%	[ x ]
Rogers High School	03314	Urban	112	99	90%	[ x ]
Coldwater Canyon Elementary School	02928	Urban	1461	1433	90%	[ x ]
Saticoy Elementary School	03334	Urban	628	585	90%	[ x ]
Valerio Elementary School	03415	Urban	1417	1398	90%	[ x ]
Monlux Elementary School	03191	Urban	660	601	90%	[ x ]
Millikan Middle School	03187	Urban	1602	1512	90%	[ x ]
Dixie Canyon Elementary School	02959	Urban	749	395	80%	[ x ]
Cohasset Elementary School	02927	Urban	756	756	90%	[ x ]
Chandler Elementary School	02910	Urban	601	566	90%	[ x ]
Sylvan Park Elementary School	03386	Urban	1062	1062	90%	[ x ]
Van Nuys Middle School	03422	Urban	1325	1105	90%	[ x ]
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)					89.1%	

15. "Shared" services: All EXCEPT site-specific, internal connections and dedicated ("private line") connections from only one school or library to an ISP or other end user.

[illegible]

Con Name: Bernardo Foschetti

Contact Ph. 3.997-2550

Item 17 Shared

1998 - 1999

Minor Modification to Shared Services from Approved

471 # 00030774

**WE WANT to SUBSTITUTE  
THIS, APPROVED, EQUIPMENT**

Schools/ Code	Equipment/Services	Costs
Each School to NOW	5-LAN Web Server	\$8525ea/\$42,625
Purchase Shared	Tax @ 8.25%	\$3,516.56
Internal Connections	5-Parts Warranties	\$1,776ea/\$8,880
from Prenilo.	1-LAN File/E-Mail Server	\$10,087.00
Replucing Purchase of	Tax @ 8.25%	\$832.18
Internal Connections	Parts Warranties	\$2,102.00
from Lucent.	Service/Labor	\$16,363.64
	Installation	\$2,530.89
	Total for each School	\$86,937.27
	Sum Total Modification of	\$1,006,225.90
	and	\$1,080,268.50
	Grand Total of from approved 471	\$2,086,494.40

**We CAN NOT USE this  
EQUIPMENT THIS YEAR**

Schools/ Code	Equipment/Services	Costs
Each School WAS to	1-25Mbps LAN ATM	
have Purchased Shared	Switch Model 10625	\$9,780.00
Internal Connections	1-VSM-8	\$3,000.00
from Lucent.	1-VSM-5	\$2,955.00
Internal Problem arose	Installation	\$4,000.00
resulting in NO wiring	Sales Tax @ 8.25%	\$1,298.14
and/or cabling thus this	7-Ethernet Switches	\$2,250ea/\$15,750
Data Networking	Sales Tax @ 8.25%	\$1,299.70
Equipment approved to be Purchased from, Lucent, COULD NOT	Installation	\$2,275ea/\$15,925
be installed and used.		
	5-yr Partsonly Maint.	
	1-25mbps switch	\$7,204.55
	5-Ethernet Switches	\$1,260ea/\$6,300
	Total	\$55,339.57
	Labor Only Service	\$16,904.85
	Total for each school	\$86,937.27
	Sum Total Modification of	\$1,006,225.90
	and	\$1,080,268.50
	Grand Total of from approved 471	\$2,086,494.40

**Contact Person's Name:** Bernardo Foschetti **and Phone Number:** (818) 997-2550

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

[illegible]

# EXHIBIT D

---

---

INTEROFFICE MEMORANDUM

---

---

**TO:** JAMES ALTHER, LAUSD ERATE OFFICE  
**FROM:** PATRICK LUCE  
**SUBJECT:** ERATE COMPLIANCE OF YEAR 1 SERVERS FOR GRANT/VAN NUYS CLUSTER  
**DATE:** AUGUST 8, 2000  
**CC:** CATHERINE BANKER

---

This memo concerns the compliance of the 120 computers purchased from Premio Computers, Inc. for the Year One Erate proposal submitted by the Grant/Van Nuys Cluster. As requested, I visited several schools within the cluster to determine the status of compliance of these servers with Year One Erate specifications.

It appears that none of the 120 computers as installed and configured were at any time compliant with federal guidelines for Year One Erate. In the cluster's proposal to the SLC (now he SLD), the servers were specified to be "telecommunications and Internet servers". Although it was possible under Year One guidelines to configure a computer to be a telecommunications and Internet server, none of the computers from Premio appears to have ever had the capability of serving either of these two functions. In order to serve as this specific type of device, each computer would need to be able to connect to the Internet via an analog signal, and translate that signal to a digital signal for other computers on a network. Each of the Premio devices has a modem installed, and therefore can connect to the Internet using an analog signal. The computers, however, do not have a network interface card (NIC) installed to enable them to communicate with other computers. In addition, the computers employ a workstation operating system rather than a server operating system. Therefore, by definition the Premio devices are now and always have been workstations and not servers. Under SLD guidelines, workstations are not eligible for funding through the Erate program.

In my discussions with the local district ITAF's, I was told that the intent for the computers from Premio was to make them "video servers". Video servers are eligible for an Erate discount, but must meet the same technical requirements as the "telecommunications and Internet servers". Video servers must connect to an analog signal to provide video capability, and then distribute the signal through a digital connection to other computers. For the same reasons stated earlier, the devices from Premio are workstations, and do not now nor have they ever met Erate guidelines to be eligible for a discount.

It is my opinion that not only are the devices from Premio not compliant with Erate guidelines, but also that it would be pointless to attempt to upgrade them to meet those guidelines. According to Elizabeth Profeta, a supervisor from the SLD that I spoke to regarding this issue, servers purchased with Erate funds must perform the functions stated in the request to the SLD, and must also conform to the rules that were in effect during the funding year that the servers were purchased. If that is the case, the computers must be reconfigured to be "telecommunications and Internet computers will need to have their hardware and operating systems upgraded and reconfigured to be valid telecommunication servers. The servers will then have to be connected to an analog phone system. (Currently the devices are connected to analog video switches that are not connected to the public phone system or to the Internet.) Finally, a minimum of two workstations will need to be

connected to each server so that a video signal and/or an Internet signal is routed through the server to that workstation. Even if this were done, in addition to the tremendous additional cost involved, the computers would be reconfigured to perform a function that is now obsolete. All of the schools in the project are receiving complete LAN packages with connectivity via a T-1 connection to the Internet. We would therefore waste a large sum of money to make these servers compliant by forcing them to perform a function that will be better served by a superior alternative method that exists on the same school sites.

In view of the current difficulties presented by the current situation, I am unclear about how to proceed. With my present level of understanding, I believe that the following options are available:

1. Do nothing. If the SLD chooses not to audit the Grant/Van Nuys package for Year One, there will be no consequences for the current situation. If the SLD does choose to audit this package and finds that the servers are not compliant, the government may ask for LAUSD to fund the discounted portion of the computers. This will incur a cost to the district of approximately 1.5 million dollars.
2. Approach the SLD with the situation, and ask for guidance. This could also result in the SLD asking the district to reimburse them for approximately 1.5 million dollars.
3. Attempt to make the computers Erate compliant (to the letter of the guidelines, if not to the spirit of the guidelines), by making each computer a "telecommunications and Internet server". This would require an outlay of approximately four hundred thousand dollars.

Quantity	Item	Cost	Extension
120	NIC Interfaces	\$ 75.00	\$ 9,000.00
120	Licenses for server operating system	\$ 250.00	\$ 30,000.00
120	Phone connections to classrooms (LAUSD Rate)	\$ 650.00	\$ 78,000.00
120	Labor for collection, reconfiguration and redeployment 6 hours labor per server @ \$120 per hour	\$ 720.00	\$ 86,400.00
120	Hubs to connect workstations to each server	\$ 50.00	\$ 6,000.00
240	2 Workstations to attach to each "server"	\$ 800.00	\$ 192,000.00
Total			\$ 401,400.00



4. Attempt to make the servers compliant with alternative functionality that is now Erate compliant, but was not compliant at the time of installation. Install and configure all servers as file servers, and re-deploy them to the MDF's at each school site. If the proposal is audited, argue the point that they are Erate compliant under current guidelines. This may be enough of a compliance effort to prevent action from the SLD. This solution would require an outlay of approximately one hundred thousand dollars.

Quantity	Item	Cost	Extension
120	NIC interfaces	\$ 75.00	\$ 9,000.00
120	Licenses for server operating system	\$ 250.00	\$ 30,000.00
120	Labor for collection, reconfiguration and redeployment 6 hours labor per server @ \$120 per hour	\$ 720.00	\$ 86,400.00
	Total		\$ 125,400.00

Please advise me about how you would like to proceed.

Patrick Luce